

SYN. NO. _____

AGN. NO. _____

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

JUNE 3, 2003

In August 2002, the Board of Supervisors approved the closure of High Desert Hospital and its conversion to a Multi-Specialty Ambulatory Care Clinic. The Board made this decision because of the massive budget deficits facing our health system. At that time, the Board also instructed the Department of Health Services to pursue a six-month pilot project to evaluate the feasibility of generating revenue through privately insured patients to cover the County's operating expenses to keep High Desert Hospital open.

The Antelope Valley community has mobilized to save the acute care and skilled nursing beds at High Desert Hospital, and a proposal has come forward from a private physician group, represented by former Chief Executive Officer of Antelope Valley Hospital Mathew Abraham, to take over the inpatient operations of High Desert Hospital as a nonprofit organization.

MOTION

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This group of doctors are committed to ensuring the delivery of inpatient health care services to the residents of Antelope Valley and has agreed to offset the County's operating expenses of up to \$2 million to keep High Desert Hospital open for the six-months transitional period. Additionally, the physician group will allow the County to purchase three inpatient care beds for medically indigent patients per day at 50% of the anticipated Medi-Cal rates. The physician group is willing to open up more beds for medically indigent patients based upon the availability of nurses and other key personnel.

In order to allow for the nonprofit physician group to transition, the County will need to operate High Desert Hospital's inpatient beds for six additional months at a County one-time cost of \$6.7 million, including the postponement of the Multi-Specialty Ambulatory Care Clinic during that time. This public-private partnership is warranted to ensure that inpatient beds remain open to serve this fast growing area in Los Angeles County. In 2000, the Antelope Valley increased 27 percent while the remaining population within the County as a whole increased by only 7.4 percent. These beds will also decompress the area's emergency rooms and mitigate any increase in waiting times for inpatient admission for all residents.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Director of Health Services, Chief Administrative Officer, and County Counsel to enter into negotiations with the non-profit entity to be established by the private physician group for a contract to assume operation of the acute care and skilled nursing beds at High Desert Hospital with the goal to bring a contract to the Board for its consideration prior to June 30, 2003. The proposal presented to the County by this group offers a starting point for these negotiations.

2. Direct County Counsel to provide weekly updates to the Board on the status of the negotiations.

3. Direct the Director of Health Services to take the necessary steps to allow the County to operate High Desert Hospital during the six-month transition period called for in the group's proposal. These steps should include managing staffing issues, including the planned June cascade, and submitting a budget adjustment of one-time funding in the amount of \$6.7 million. To mitigate these transition costs, any negotiated contract must include the provision of up to \$2 million in compensation from the group.

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